

WASHINGTON, D.C.

Building Energy Performance Standards

Clean Energy Equitably

In 2018, Washington, D.C.'s city council passed the Clean Energy DC Omnibus Amendment Act to slash its greenhouse gas emissions profile. The provisions in the act will help move the city closer to its goal of reducing emissions 50 percent by 2032, relative to 2006 levels, and reaching carbon neutrality by 2050. To reach that goal, the law has provisions called building energy performance standards (BEPS), which require several thousand commercial and residential buildings across the city to meet new energy use targets that ratchet up over time, with the goal of a continuously improving building stock.

The bill's passage garnered much attention from affected stakeholders, such as the real estate industry and energy utilities. Recognizing the large impact this policy would have on these stakeholders, the city brought them into the decision-making process, establishing a 17-member BEPS Task Force to help guide the standards' implementation. Sitting on the task force, in addition to five city government representatives, are a dozen private stakeholders that represent different sectors of the commercial and multifamily real estate community.

Among the groups most vulnerable to heightened energy efficiency requirements are low-income residents and the affordable housing enterprises that count them as tenants. Without immediate access to the capital necessary to meet the new requirements, housing providers could face noncompliance penalties on top of their already strained finances. On the other hand, if upgrades are made without appropriate protections, low-income families could see a jump in rental costs. Recognizing the potential for outsized impact, the city included four affordable housing representatives on the BEPS Task Force, with the understanding that additional consultation

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would almost certainly be needed. In 2019, the Washington Post reported that D.C. was experiencing the most intense gentrification in the country, noting that 20,000 Black residents had been displaced from 2000 to 2013.

Solicitation and Implementation

The city recognized that the new building efficiency regulations could exacerbate inequities. In early 2019, before the bill was fully implemented or the Task Force was assembled, the city's Department of Energy and Environment (DOEE) began working with its American Cities Climate Challenge adviser, Sharon Jaye, to strategize how to bring in community perspectives. To learn from affordable housing stakeholders who would have to upgrade their buildings, the Climate Challenge supported a partnership with the National Housing Trust (NHT), an organization that advocates for housing equity and community resilience, to organize working groups and gather feedback.

In August and September 2019, the organizations hosted two meetings with members of the D.C. affordable housing community. Leaders of both meetings aimed to share details on the new energy compliance standards with attendees, but also to solicit their needs and perspectives so that the insights gained could guide responsive policy implementation. Both meetings included discussion groups for community members, covering subjects like penalties, compliance pathways, and affordable property types. During those meetings, DOEE staff learned that bringing affordable housing into compliance with the new energy standards would require more nuance and support than originally planned under the law. "There are so many types of affordable housing," Katie Bergfeld, the DOEE branch chief overseeing the development and implementation of BEPS, recalls realizing during the meetings. "Trying to do retrofits on a building is going to affect different kinds of affordable housing—or how they can comply—in very different ways."

Though NHT and the D.C. government hosted only

two meetings, they had a widespread effect on the BEPS rollout. DOEE hired a full-time staffer to help oversee the energy transition of low-income housing stock in the city. Recommendations from the meetings were used to incorporate flexibilities for affordable housing into the BEPS Rulemaking and the draft of the BEPS Technical Compliance Guidebook, expected to be finalized in early 2022. The guide, written for building owners rather than legislators or lawyers, was made to be a companion document to the regulations and was crafted with significant support from Jaye. Those seeking to retrofit their buildings could better access compliance requirements, along with resources the city had set aside to help affordable housing owners and tenants make the transition.

Community input also fundamentally influenced the city's strategy for helping affordable housing to meet the standard. "The knee-jerk reaction [would be] to lower their standards and allow affordable housing to have lower standards in terms of energy performance," says Michael Feldman-Wiencek, a green building and housing affordability analyst at DOEE whose position was crafted in response to the working group meetings. But the community didn't ask for a lower standard; in fact, affordable housing advocates tended to support BEPS. What's more, different standards for different income brackets could end up exacerbating inequities. Residents in affordable housing without upgrades would be forced to grapple with high energy burdens and low air quality while everyone else got the benefits of energy-efficient housing. "The equity issue is not in placing an additional burden on these buildings and residents," Feldman-Wiencek says. "It's in not supporting them in reaping the benefits." Advocate meetings reinforced the need for a single standard across the District's entire multifamily housing stock. Instead of different standards, they said, the city should provide financial and technical support, along with a deadline extension option for compliance, to help them reach the standards. D.C. listened.

In late 2019, when the BEPS Task Force gathered to meet, insights from the two stakeholder engagements and resulting guidebook acted as a counterbalance to the interests of powerful real estate developers in the group. "The loudest voices


are the established stakeholders who've had a voice: developers, people who affect the economy and control the levers," Feldman-Wiencek says. "If we had only had that voice, I don't know what would've happened."

Federal Funding to the Rescue

By consulting with local affordable housing advocates, DOEE was able to ensure that policy implementation would reinforce equity rather than work against it. It was also able to achieve greater residential buy-in to D.C.'s vision under CleanEnergy DC. "We can't talk about getting to a future in 10 years that's good for everyone when we've got these buildings that are already not good for a lot of people," Feldman-Wiencek says. "Address these things together."

Unbeknownst to DOEE staff was how serendipitous their efforts would be. To support an equitable energy transition under BEPS, the city allocated \$3 million annually to support low-income buildings. With the passage of the Biden administration's American Rescue Plan Act (ARPA), that amount may approach \$35 million annually through 2024. "Because of all the work we did, because of the American Cities Climate Challenge resources we had to do this work, we have a plan. We're obviously going to have a lot of lessons learned," says Bergfeld. "But we know how to use this."

Now, DOEE is following through after designing and launching its Affordable Housing Retrofit Accelerator (AHRA) program in 2021, meaning the department can set its sights even higher. AHRA provides direct technical and financial assistance to multifamily affordable housing buildings by channeling ARPA funding through the D.C. Sustainable Energy Utility and the D.C. Green Bank, helping building owners uncover energy savings opportunities and improve building energy performance. Thanks to services such as energy audits, one-on-one guidance on how to comply with the BEPS requirements, and financing for the installation of new energy-efficient building equipment, affordable housing won't just be in line with the rest of the building stock; it will be a model. "We're going to aim for deep energy retrofits as much as possible," Bergfeld says, "so that, in the end, these buildings will end up better performers than other sectors."



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